

2005 DRAFTING REQUEST

Assembly Amendment (AA-AB156)

Received: 06/02/2005

Received By: mshovers

Wanted: As time permits

Identical to LRB:

For: Jeffrey Mursau (608) 266-3780

By/Representing: Andy

This file may be shown to any legislator: NO

Drafter: mshovers

May Contact:

Addl. Drafters:

Subject: Local Gov't - tax incr financing

Extra Copies:

Submit via email: YES

Requester's email: Rep.Mursau@legis.state.wi.us

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Certain counties may create tax incremental financing (TIF) districts

Instructions:

Address points 1, 2, and 6 from DOR's tech. memo

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	mshovers 06/03/2005	kfollett 06/03/2005	chaugen 06/03/2005	_____	sbasford 06/03/2005	sbasford 06/03/2005	
/2	mshovers 06/06/2005	wjackson 06/06/2005	pgreensl 06/06/2005	_____	sbasford 06/06/2005	sbasford 06/06/2005	

FE Sent For:

<END>

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/1	mshovers 06/03/2005 mshovers	kfollett 06/03/2005	chaugen 06/03/2005	<u>6/6</u> <u>6/6</u> <u>SELF</u>	sbasford 06/03/2005	sbasford 06/03/2005	
12 MES 6/6/05 12 WJ 6/6 6/6 PS <END>							

Assembly **2005 DRAFTING REQUEST**
Senate Amendment (SA-AB156)

Received: 06/02/2005

Received By: mshovers

Wanted: As time permits

Identical to LRB:

For: Jeffrey Mursau (608) 266-3780

By/Representing: Andy

This file may be shown to any legislator: NO

Drafter: mshovers

May Contact:

Addl. Drafters:

Subject: Local Gov't - tax incr financing

Extra Copies:

Submit via email: YES

Requester's email: Rep.Mursau@legis.state.wi.us

Carbon copy (CC:) to:

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/1	mshovers 06/03/2005	kfollett 06/03/2005	chaugen 06/03/2005	_____	sbasford 06/03/2005	sbasford 06/03/2005	

12 MES 6/6/05
FE Sent For:

<END>

2005 DRAFTING REQUEST

Senate Amendment (SA-AB156)

Received: **06/02/2005**

Received By: **mshovers**

Wanted: **As time permits**

Identical to LRB:

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By/Representing: **Andy**

This file may be shown to any legislator: **NO**

Drafter: **mshovers**

May Contact:

Addl. Drafters:

Subject: **Local Gov't - tax incr financing**

Extra Copies:

Submit via email: **YES**

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No specific pre topic given

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/1	mshovers	11 kjf	ch	CH 6-3			
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11 MES 6/3/05	6-3						
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FE Sent For:

<END>

MEMORANDUM

March 14, 2005

TO: Marc Shovers
Legislative Reference Bureau

FROM: Blair Kruger
Department of Revenue

SUBJECT: Technical Memorandum on Assembly Bill 156 – Allow Counties with No Cities or Villages to Create Tax Incremental Financing (TIF) Districts

The Department has the following concerns regarding this bill:

1. The bill amends county law (sec. 59.57) rather than general TIF law (sec. 66.1105) or town TIF law (sec. 60.85). This structure may lead to confusion where a county acts as a municipality under the bill but simultaneously retains its role as a county. For example, the bill could result in a Joint Review Board with two representatives from a county and no representative from the town where the TID is located. Amending sec. 66.1105 (4m) to include a town representative would ensure representation of all taxing jurisdictions.
2. General TIF law allows up to 25% vacant land in a TID while town TIF law does not have any such restriction. Since the bill applies general TIF law to counties with only towns, proposed TIDs under the bill may tend to violate the 25% vacant land limit.
3. The equalized value of taxable property of the TID plus the value of increments of all existing TIDs cannot exceed 12% of the total equalized value of taxable property in the city or village. Under the bill, the 12% test would apply to the county's equalized value. Any town that is less than 12% of the county's equalized value could become a TID.
4. The county would be required to identify TID parcels and submit annual reports to the Department of Revenue. However, counties do not have assessors to perform this task.
5. Under the bill, the county would administer the TID, including issuing bonds and contracting for improvements. However, the town in which the TID is located would collect property taxes on the value increment. The bill does not provide for settlement between the town and county for taxes collected on the value increments.
6. The TIF year begins on October 1, with valuation as of the following January 1, and ends on September 30. An effective date of October 1, 2005 would provide time for the Department to develop guidelines and forms, modify computer programs, and to provide consistency in the administration of rules during the TID year cycle.

If you have any questions regarding this technical memorandum, please contact Milda Aksamitauskas at (608) 261-5173 or milda.aksamitauskas@dor.state.wi.us

cc: Representative Mursau

*nothing to do -
cities will have to
hire an assessor or
K w/ town assessor
JK says it will
all settle out under
current statutes
will Andy
back to me*



State of Wisconsin
2005 - 2006 LEGISLATURE

LRBa0691/1
MES. k...

jf
RMR

CPS:
Fix
request
sheet pls

SENATE AMENDMENT ,
TO 2005 ASSEMBLY BILL 156

Wanted:
mon. am.

- 1 At the locations indicated, amend the bill as follows:
- 2 1. Page 2, line 7: after "*Limitations.*" insert "1."
- 3 2. Page 2, line 9: after that line insert:
- 4 "2. When a county convenes a joint review board under s. 66.1105 (4m) (a), the
- 5 county representative specified in that paragraph shall be chosen as specified under
- 6 s. 66.1105 (4m) (ae) 2., and the city representative specified in s. 66.1105 (4m) (a) and
- 7 chosen as specified under s. 66.1105 (4m) (ae) 3. shall be a representative of the town
- 8 where the tax incremental district is located, and shall be the town board chair or his
- 9 or her designee, consistent with the provisions of s. 66.1105 (4m) (ae) 3.
- 10 3. The 25 percent vacant land limitation for a tax incremental district that is
- 11 not a district suitable for industrial sites, as described in s. 66.1105 (4) (gm) 1., does
- 12 not apply to a tax incremental district that is created under this subsection."
- 13 3. Page 3, line 16: after that line insert:

1 **“SECTION 3m. Effective date.**

2 (1) This act takes effect on October 1, 2005, except that if this act is published
3 after August 1, 2005, this act takes effect on October 1, 2006.”.

4 (END)

Shovers, Marc

From: Shovers, Marc
Sent: Monday, June 06, 2005 12:28 PM
To: Aksamitauskas, Milda
Cc: Gates-Hendrix, Sherrie; Potts, Andrew
Subject: RE: AB 156 technical memo

Hi Milda:

Thanks for checking into this. Based on your response, I will not address this issue in the amendment, a0691. As you've pointed out, the treatment of this issue in AB 156 is consistent with current ER TIF law. If current law relating to the settlement of property taxes in s. 74.23 (1) (b) provides municipalities and counties with enough flexibility to settle property taxes and allows DOR to administer the statutes, it seems that there is no problem that needs to be addressed.

You seem to suggest, though, that to be sure that the settlement is done according to a county's wishes, the county may want to enter into an understanding or written agreement with the town that specifies how the property taxes will be settled. I agree that that's not a bad idea, but it appears that there have been no similar problems relating to ER TIFs. Thanks again.

Marc

Marc E. Shovers

Senior Legislative Attorney
Legislative Reference Bureau
Phone: (608) 266-0129
Fax: (608) 264-8522
e-mail: marc.shovers@legis.state.wi.us

-----Original Message-----

From: Aksamitauskas, Milda
Sent: Monday, June 06, 2005 11:58 AM
To: Shovers, Marc
Cc: Gates-Hendrix, Sherrie
Subject: AB 156 technical memo

Marc:

I discussed the settlement issue (#5 in the technical memo) with Ken Schuck and Judie Gibbons. Under the bill, a county will issue bonds and pay for costs of the project and a town will collect tax increments. The statutes do not tell the town to settle with the county for the costs county incurred. Yes, the chapter 74 is general enough to provide flexibility to settle however municipalities decide, but no chapter provides that the town and the county has to settle.

I also wanted to note that counties are allowed to create Environmental Remediation TIF districts and there is no specific language about settlement between the county and municipality in which ER TIF district is created. Thus, not having additional language in AB 156 is consistent with the current law.

The DOR can administer the law as it is drafted currently. However, in a technical memo I wanted to bring up a possible issue at a municipal level.

Milda

Milda Aksamitauskas, MPP
Research and Policy Division
2135 Rimrock Rd. MS 6-73
Madison, WI 53708
608-261-5173



State of Wisconsin
2005 - 2006 LEGISLATURE

LRBa0691/v

MES:kjf:ch

(fmr stays)

Assembly
SENATE AMENDMENT,
TO 2005 ASSEMBLY BILL 156

today

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5 county representative specified in that paragraph shall be chosen as specified under
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7 chosen as specified under s. 66.1105 (4m) (ae) 3. shall be a representative of the town
8 where the tax incremental district is located, and shall be the town board chair or his
9 or her designee, consistent with the provisions of s. 66.1105 (4m) (ae) 3.

10 **3.** The 25 percent vacant land limitation for a tax incremental district that is
11 not a district suitable for industrial sites, as described in s. 66.1105 (4) (gm) 1., does
12 not apply to a tax incremental district that is created under this subsection."

13 **3.** Page 3, line 16: after that line insert:

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(1) This act takes effect on October 1, 2005, except that if this act is published after August 1, 2005, this act takes effect on October 1, 2006.”.

(END)